



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Community Empowerment and Economic
Revitalization Committee**

Tuesday, January 11, 2005
2:00 PM
Commission Chamber

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Commission Auditor

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Legislative Analysis**

A written analysis for the below item(s) are attached for your consideration. If you require further analysis of these or any other agenda items, please contact Gary Collins, Acting Chief Legislative Analyst, at (305) 375-1826.

Item 2(A)

***RESOLUTION DIRECTING OCED, THE BEACON COUNCIL, AND THE
EMPOWERMENT TRUST TO CREATE INCENTIVE PROGRAM FOR OUT OF STATE
BUSINESSES***

LEGISLATIVE ANALYSIS

RESOLUTION DIRECTING OCED, THE BEACON COUNCIL, AND THE EMPOWERMENT TRUST TO CREATE INCENTIVE PROGRAM FOR OUT OF STATE BUSINESSES

Commissioner Dorrin D. Rolle

I. SUMMARY

This directs the Empowerment Trust, the Beacon Council and the Office of Community and Economic Development (OCED) to create an incentive program to encourage **out-of-state** companies *receiving County contract awards in excess of \$10 million* to locate offices and/or facilities in urban areas of Miami-Dade County.

II. PRESENT SITUATION

There are several economic development programs – in the form of grants, tax breaks and loans – currently offered by Miami-Dade County, including:

- Empowerment Zone and Enterprise Zone programs
- Urban Jobs Tax Credit program
- Commercial Revitalization program
- Public Purpose Lending program
- Micro-Lending program
- Mom and Pop program

The above programs have various qualification requirements, such as restriction to a geographical area, hiring employees from a specified area, limits on yearly gross revenues, etc.

III. POLICY IMPLICATIONS

The purpose of this new program is to offer **additional** incentives for out-of-state companies awarded County contracts in excess of \$10 million.¹ Because the incentive program is expressly geared to out-of-state companies, it would (unless otherwise specified) exclude companies based in other parts of Florida, such as North Florida.

IV. ECONOMIC IMPACT

The cost to the County depends on the funding source(s) identified. This cost ideally may be more than offset by the effects of new businesses, including greater economic investment and activity in the area, the creation of jobs, and utilization of previously under-developed land and resources, as well as making the area more attractive for future investment.

¹ The \$10 million threshold is intended to apply to single contract awards, not a cumulative total.

V. COMMENTS

The County has and will continue to award contracts valued in the tens of millions of dollars to non-Florida firms because many products and services are simply not available locally. A number of upcoming initiatives, particularly those funded by the ½ cent Transit tax and the General Obligation Bond, are likely to make it more appealing for out-of-state businesses to establish a long term presence. Yet, relocation incentives are still needed to sustain investments and relationships in South Florida, particularly for urban areas in need of revitalization.

- To ensure that eligible businesses are aware of available incentives, they should be informed as early as possible in the procurement process, such as at RFP advertisement.

Encouraging relocation of businesses, especially manufacturing and technological firms, requires more than economic incentives; the availability of skilled labor is essential.

- For this reason, these incentives programs could be offered in conjunction with education, training, and/or apprenticeship programs or partnerships.

In 1999, Dade, Broward and Palm Beach County signed an interlocal agreement regarding economic cooperation and the use of economic incentives. The counties agreed that they would not use public funds to cause a business to relocate from one county to another county. They further agreed that the use of public funds as incentives to induce a business outside the region to locate in any of the three counties is permissible.

- Informing Broward and Palm Beach County about this new proposed incentive program is important, as new companies locating in any of the counties may be beneficial to the entire region.